*APPENDIX 6.

[See Chap. 6, Art. 110.]

Inter-departmental Transfers.

The following rules are prescribed for regulating the conditions under which one department of the public service may charge another department for services rendered or articles supplied to it, and the procedure to be observed in recording such charges in the public accounts :—

I.—For the purposes of inter-departmental payments, the Departments of Government are divided into service departments and commercial departments, according to the following principles :—

A.—Public Service Departments.—These are constituted for the discharge of those functions which either (*a*) are inseparable from, and form part of, the idea of Government, or (*b*) are necessary to, and form part of, the general conduct of business. Their cost is shown in the public accounts as the cost of the service as a whole, and without reference to the details of service rendered : *e.g.*—

(*a*) Departments classed under Administration—Jails, Police, Roads and Buildings, Irrigation (*i.e.*, Maintenance of Public Tanks and Waterways), Military Works, Army.

(*b*) Survey, Government Printing, Stationery.

B.—Quasi-Commercial Departments.—These are maintained for the purpose of rendering particular services on payment made for the services rendered or for the articles supplied. Their functions are not part of the ordinary idea of Government or administration : *e.g.*—

Forests, Posts and Telegraphs, Railways, Irrigation (supply of water) Cinchona Plantations.

II.—A commercial department should charge any other department for services rendered or articles supplied in the same way as it would charge a member of the public.

III.—The charges permitted by rule II are confined to charges for services or supplies which it is the object of the existence of the department to render or to furnish.

NOTE 1.—The Forest Department may charge any other department for vegetable or animal products extracted from a forest area, and also for mineral products, unless such mineral products are extracted by the direct agency of the department concerned under its own supervision and without the intervention of contractors or middlemen, for its own use, and not for disposal to the public or other departments.

NOTE 2.—The Public Works Department should not charge other Departments of Government rent for temporary occupation by such departments of land acquired for Irrigation and Navigation Works for which Capital and Revenue Accounts are kept.

IV.—Service departments are not allowed to make charges against other departments for services which fall within the class of duties for which they are constituted (*see* rule VI).

1. Convict labour is, however, usually charged for, such as that supplied to the Public Works Department (Government of India, Finance Department, Resolution No. 517, dated 26th January 1872), and to the Forest and Marine Departments at Port Blair. No charge is, however, made in the case of works undertaken by the Public Works Department at Port Blair, which are treated as jail works.

2. Expenditure on buildings by Public Works Department Officers in Bombay on account of the Indo-European Telegraph Department should be debited in transfer to the latter Department.

V.—In exceptional cases, where it has been considered advisable to show in one place the entire cost connected with a service of a commercial department, charges for services rendered by a service department to a commercial department have been allowed : *e.g.*—

Supply of Stationery and printed forms to Railways or the Postal and Telegraph Department.

VI.—A branch of a service department supplementary to its general duties is sometimes constituted upon commercial principles; and so far as regards the work of this branch, it is allowed to charge as a commercial department: *e.g.*—

Jail manufacture, Survey map-publishing, Printing (Publishing Department), Steamers employed in earning freight, Mint (Miscellaneous Services other than Rupee Coinage).

VII.—A branch of a department, whether service or commercial, constituted for the subsidiary service of that department, but employed for analogous service of another department, may charge that other department: *e.g.*—

Workshops of a department, Agent for Government Consignments (services for Civil Department), Mathematical Instrument Factory, Supply and Transport (employed on petty services), Dockyards, Arsenals.

NOTE.—Types and other printing materials and all stores supplied by the Central Press, Calcutta, either from its workshop or by local purchase, to other presses, Provincial or Imperial, or to the Deputy Controller, in charge Paper Currency, should be charged for, the valuation in the case of articles manufactured at the workshop being taken at the approximate cost of production without any margin for profit: The Accountant General, Central Revenues, will make the necessary adjustments in the case of the presses under his audit, and for the Paper Currency Office, Calcutta; and in other cases will raise the necessary debit in his exchange account with the Account Officer concerned.

VIII.—(*a*) A regularly organized store branch of a department (whether service or commercial) should charge any other department whose requirements it is made, for the convenience of the public service, to supply: *e.g.*—

Medical Stores to Civil Departments.

Exception.—Military stores supplied to Imperial Departments from Arsenal. As the issue of these stores represents military or *quasi*-military operations somewhere, nothing is gained by giving credit for them under "Army."

(*b*) In order to prevent undue exaggeration of the public revenue and expenditure, a store department which is systematically employed in supplying the requirements of another department, should take the credits it receives by deduction from its expenditure on stores, and not by credit to receipts.

IX.—A public department cannot be *assessed* to pay revenue to Government; but fees and duties leviable by law must be paid by public departments in the same way as by private individuals.

X.—All payments of amounts due by one Public Department to another should be made by book transfers, except when such transfers do not suit the methods of account or of business adopted by the receiving department.

NOTE.—The cost of stationery and printed forms supplied to State Railways (including lines under survey or construction) is payable in cash.

No. 344.

Page 134, Appendix 6, Rule VI—

Add "Government Commercial Undertakings" *to the list of branches of service departments given under this Rule.*

[C. A. C., I., 8th Edition, No. 344, dated 1st October 1924.]

No. 264.

Page 134.

Appendix 6, Rule VIII (a).

(1) *Delete the exception under this Rule.*

(2) *Insert* " and stores issued by the Army to other Departments" *after the words* " medical stores to Civil Departments' *in line 4 of the Rule.*

[C. A. C. I., 8th Edition, No. 264, dated 1st August 1923.]

No. 52.

Appendix 6—

In Rule 1 (A) (a) *substitute* 'Waterways' *for* 'Irrigation (*i.e.*, Maintenance of Public Tanks and Waterways).'

In Rule I (B) omit the words '(supply of water)' *occurring in the illustration.*

In Note 2 under Rule III for the words 'Irrigation and Navigation Works' *in line 2 substitute* 'Irrigation Works and Waterways.'

For the word 'Imperial' *in line 2 of the Note under Rule VII substitute* 'Central.'

For 'Imperial Departments' *in line 1 of the Exception under Rule VIII* (a) *substitute* 'Departments under the Government of India.'

(C. A. C., I., 8th Edition, Reforms List, No. 52—1-4-21.)

No. 237.

Page 134, Appendix 6, Rule VIII (a)—

Insert the following as a Note to this Rule :—

"NOTE.—Public Works Department Stores referred to in paragraph 487(i) of the Public Works Account Code should always be charged for."

[C. A. C., Vol. I, 8th Edn., No. 237, dated 1st April 1923.]

No. 376.

Page 134. Appendix 6.

Insert the following as note 2 under Rule X of this appendix, the existing note being numbered as 1 :—

"NOTE 2.—The cost of stationery supplied to the Railway Department (Railway Board) from the Central Stationery Stores, Calcutta, and of all printing work executed for it at the Government of India presses will be adjusted by book debit. The amounts will be shown as deduct entries under the head "46 Stationery and Printing—Central," the entries being prepared by the Controller, Printing, Stationery and Stamps, in communication with the Accountant-General, Central Revenues, and the Railway Department."

[C. A. C., Vol. I, No. 376, dated 1st May 1925.]